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HOUSE BILL 237

46TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2004

INTRODUCED BY

Luciano "Lucky" Varela

AN ACT

RELATING TO LOCAL GOVERNMENTS; AMENDING THE CIVIC AND
CONVENTION CENTER FUNDING ACT TO INCREASE THE MAXIMUM RATE OF A
CONVENTION CENTER FEE, TO ALLOW RATE DECREASES UNDER CERTAIN
CIRCUMSTANCES AND TO BROADEN THE PURPOSES FOR WHICH FEE
REVENUES MAY BE EXPENDED; DECLARING AN EMERGENCY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 5-14-4 NMSA 1978 (being Laws 2003,
Chapter 374, Section 4) is amended to read:

"5-14-4. IMPOSITION OF CONVENTION CENTER FEE-- USE OF
PROCEEDS. --

A. A local governmental entity that has met the
requirements of Section [~~3 of the Civic and Convention Center
Funding Act~~] 5-14-3 NMSA 1978 may impose by ordinance a fee on
the use of a room at a lodging facility within the local

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1 governmental entity; provided that a fee imposed by a county
2 shall only apply to lodging facilities located within twenty
3 miles of the corporate limits of the qualified municipality.
4 The fee may be referred to as the "convention center fee". The
5 amount of the convention center fee shall not exceed ~~[one]~~ two
6 percent of the gross room revenue for each day the room is
7 occupied by a vendee. The convention center fee may be imposed
8 in increments and, pursuant to Subsection D of this section,
9 may be decreased in increments.

10 B. The convention center fee shall be imposed only
11 for the period necessary for payment of principal and interest
12 on revenue bonds issued to accomplish the purpose for which the
13 revenue is dedicated, but the period shall not exceed thirty
14 years from the date of the ordinance imposing the fee.

15 ~~[C. A local governmental entity shall not decrease~~
16 ~~the convention center fee while revenue bonds to which the~~
17 ~~revenue of the convention center fee is pledged remain~~
18 ~~outstanding.]~~

19 ~~D.]~~ C. A local governmental entity shall dedicate
20 the revenue from the convention center fee at the time that the
21 ordinance imposing the fee is enacted and limit the use of the
22 revenue to the following:

23 (1) the design, construction, equipping,
24 furnishing, landscaping and other costs associated with the
25 development of a civic and convention center and adjoining

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1 parking garage located within the qualified municipality;

2 (2) payments of principal, interest or prior
3 redemption premiums due in connection with and any other
4 charges pertaining to revenue bonds authorized by the Civic and
5 Convention Center Funding Act, ~~[and]~~ including payments into
6 any sinking fund or reserve fund required by the revenue bond
7 ordinance;

8 (3) costs of collecting and otherwise
9 administering the convention center fee; provided that
10 administration costs shall not be paid ~~[until all required~~
11 ~~payments on the revenue bonds issued pursuant to the Civic and~~
12 ~~Convention Center Funding Act are made]~~ if there are current
13 payments due pursuant to Paragraph (2) of this subsection and
14 that no more than ten percent of the revenue collected in any
15 fiscal year shall be used to pay administration costs;

16 (4) operation costs of the civic and
17 convention center and adjoining parking garage located within
18 the qualified municipality; provided that no such costs shall
19 be paid if there are current payments due pursuant to Paragraph
20 (2) of this subsection; and

21 (5) payments into a capital reserve fund
22 established for the future payment for capital maintenance and
23 improvements and equipment replacement costs of the civic and
24 convention center and adjoining parking garage located within
25 the qualified municipality; provided that:

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1 (a) no payments shall be made pursuant
2 to this paragraph if there are current payments due pursuant to
3 Paragraph (2) of this subsection; and

4 (b) at least once every five years, the
5 local governmental entity shall compare the amount of money in
6 the fund with the expected future expenditures from the fund
7 and decide if the convention center fee can be reduced pursuant
8 to Subsection D of this section.

9 D. A local governmental entity may decrease the
10 rate of a convention center fee if:

11 (1) all required payments have been made
12 pursuant to Subsection C of this section and the required
13 levels of and estimated payments from any reserve fund, sinking
14 fund or capital reserve fund can be sustained at a decreased
15 rate;

16 (2) the decreased fee will not otherwise
17 directly or indirectly impair outstanding revenue bonds issued
18 under Section 5-14-13 NMSA 1978; and

19 (3) the local government division of the
20 department of finance and administration finds that the
21 requirements of Paragraphs (1) and (2) of this subsection have
22 been satisfied and otherwise approves the fee decrease."

23 Section 2. Section 5-14-13 NMSA 1978 (being Laws 2003,
24 Chapter 374, Section 13) is amended to read:

25 "5-14-13. REVENUE BONDS. --

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1 A. Revenue bonds may be issued at any time by a
2 qualified municipality that has imposed a convention center fee
3 to defray wholly or in part the costs authorized in Paragraph
4 (1) of Subsection [D] C of Section [4 of the Civic and
5 ~~Convention Center Funding Act~~] 5-14-4 NMSA 1978. The revenue
6 bonds may be payable from and payment may be secured by a
7 pledge of and lien on the revenue derived from:

8 (1) the proceeds of the convention center fee
9 of the qualified municipality and the proceeds of the
10 convention center fee of a county that has entered into a joint
11 powers agreement with the qualified municipality to impose a
12 convention center fee, the proceeds of which shall be dedicated
13 to the payment of revenue bonds for a civic and convention
14 center in the qualified municipality;

15 (2) a civic and convention center to which the
16 bonds pertain, after provision is made for the payment of the
17 operation and maintenance expenses of the civic and convention
18 center;

19 (3) that portion of the proceeds of the
20 occupancy tax of the qualified municipality available for
21 payment of revenue bonds pursuant to Paragraph (1) of
22 Subsection B of Section 3-38-23 NMSA 1978;

23 (4) any other legal available revenues of the
24 qualified municipality; or

25 (5) a combination of revenues from the sources

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1 designated in Paragraphs (1) through (4) of this subsection.

2 B. The bonds shall bear interest at a rate or rates
3 as authorized in the Public Securities Act, and the first
4 interest payment may be for any period authorized in the Public
5 Securities Act.

6 C. Except as otherwise provided in the Civic and
7 Convention Center Funding Act, revenue bonds authorized in that
8 act shall be issued in accordance with the provisions of
9 Sections 3-31-2 through 3-31-6 NMSA 1978. "

10 Section 3. EMERGENCY.--It is necessary for the public
11 peace, health and safety that this act take effect immediately.